MARCH 18, 1963

FREEDOM FROM HUNGER WEEK

THE RICE TRADE
OF THE COMMON MARKET

CENTRAL AMERICAN
PROGRESS AND AGRICULTURE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Bananas move from ship to quayside conveyor belt, Mobile, Ala. Bananas are a principal U.S. import from Central America (see p. 4; photo, United Fruit).

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DEPOSITED BY THE
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A Week Dedicated To FREEDOM FROM HUNGER

Freedom from hunger—or want—was one of the Four Freedoms enunciated by President Franklin D. Roosevelt as an objective for all the world to strive for.

This week, during National Freedom From Hunger Week, we in the United States are renewing our dedication to the hope of freedom from hunger for all men. By Presidential proclamation, it is scheduled for March 17-23.

Our country has set this week aside in association with some 100 other nations which are taking the occasion to rededicate men's minds and hearts to the cooperative task of freeing the world from hunger by eliminating the causes of hunger. That is the principal goal of the International Freedom From Hunger Campaign, which was launched in 1960 by the Food and Agriculture Organization of the United Nations, and supported by its 104 member nations.

The FFH Campaign seeks to focus worldwide attention upon the problems of hunger and malnutrition, to stimulate research out of which will come self-supporting agricultural economies for the developing countries, and to marshal support for action projects designed to build programs of food production and distribution to meet present and future food needs.

Hunger and malnutrition are constant companions of two-thirds of the world's people. With a doubling of today's population of 3 billion in prospect for only 35 years from now, the worldwide FFH Campaign is aimed at stimulating action to bridge the gap between available and required food supplies, now and in the future. Along with a need for more and better food are needs for more education, for better living standards, and for an improved agriculture on which to base economic development.

Freedom From Hunger Week is the first of two major events in the National FFH Campaign. The second is the World Food Congress, which during the week of June 4-18 will mark the halfway point of the International FFH Campaign. Some 1,200 persons from more than 100 countries are expected to attend the Congress, which will be held in Washington, D.C.

The National FFH Campaign is conducted by a joint government-citizens committee, appointed by the President, within the framework of the Food For Peace Program.

Food enough for all was, and is, the ambition of the FAO. The world organization has made this ambition a universal one. More than 2 years ago the FAO began its 5-year Freedom From Hunger Campaign. Last year the United Nations and the FAO launched a World Food Program.

The United States participates wholeheartedly in these international efforts, as well as having shipped abroad more than $11 billion worth of commodities to combat hunger and promote economic development under its own Food For Peace Program. America has pledged half of the $100 million worth of commodities, cash, and services, which is the objective of the World Food Program.

This week we have an opportunity to mobilize the good will and generosity of the American people in support of the Freedom From Hunger Campaign to free the people of the world from hunger and poverty. Thus can we make freedom more secure.

—ORVILLE L. FREEMAN
Chairman, the President's Committee for Freedom From Hunger

Agriculture Sparks Central American Progress

This week President Kennedy is in Costa Rica as guest of the six Central American Presidents. Main theme of the meeting is the economic integration of Central America.

By MARY S. COYNER
Regional Analysis Division
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Agriculture is the key to Central America's progress. Since World War II, exports of coffee, cocoa, and bananas have brought the Central American nations a high rate of economic growth when world prices are favorable. But when the world market for these commodities slumps, Central America's growth slows down.

Future growth, however, is less likely to be at the mercy of shifting world prices for coffee and cocoa. The United States and other nations of the world, also concerned by the problem, have joined in discussions that have already brought forth a world coffee agreement (now in process of ratification), and international discussions are now going on for cocoa too.

Meanwhile, the Central American nations are broadening their agricultural and export base by stepping up the production of other major farm commodities such as sugar, cotton, and livestock products. And they are facing their common economic problems with a high degree of regional integration. The Central American Free Trade Area (CAFTA) has been a going concern for more than 2 years.

Economy of the area

The six republics of Central America—Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama—cover an area approximately equal in size to the combined area of North Carolina, South Carolina, Georgia, and Florida. The colony of British Honduras, roughly equivalent to Massachusetts in size, adds another 8,600 square miles, making a total of nearly 210,000.

Agriculture's importance.—Central America is predominantly agricultural, although less than 10 percent of its total acreage is cultivated. About 68 percent of its 12.5 million people live in rural areas and 65 percent of the labor force are engaged in agriculture. The importance of agriculture in the economic picture is revealed by the extent of its contribution to the gross national product—about 37 percent for the area.

Changes in economic growth.—For most of its foreign exchange earnings, Central America depends upon the sale abroad of its agricultural products. These exports comprise roughly 90 percent of the $460 million worth of goods exported from the area. After the war and up past the mid-1950's, Central America's booming output of coffee, cocoa, and bananas and the favorable prices they brought on world markets pushed the area's gross national product up at rates ranging from 5 to 8 percent (based on current prices)—well ahead of population increase.

But, beginning in 1957, the rate of economic growth declined, and it is currently estimated at between 4 and 5 percent, with population increasing at between 3 and 4 percent. This decline, which occurred in spite of steadily increasing total agricultural output, resulted primarily from reductions in the prices and production of some principal export crops. Mainly responsible were price declines for coffee and both price and production declines for cocoa beans and bananas.

Today's farm exports.—However, growth prospects now appear brighter. Coffee prices appear to have been stabi-

Modern meat-packing plants to which cattle below are going contrasts with traditional market shown at left.

Photos courtesy Pan American Union

Bananas (above), coffee (right), and sugar (below) are three of Central America's top exports. Important too are cacao and livestock products.

lized—and coffee is still Central America's most remunerative product as well as its most famous, with an export value accounting for half of the value of all agricultural exports. Bananas, which traditionally occupied the No. 2 spot as an exchange earner for Central America, have been replaced by cotton, which now supplies about a fourth of the agricultural total. But Guatemala, Honduras, Costa Rica, and Panama still supply a third of the world's banana shipments.

After these commodities come cocoa beans, sugar, live animals, and animal products. Forest products are important to British Honduras, Nicaragua, and Honduras; chicle, the chewing gum base, is valuable in the exports of Guatemala and British Honduras.

Food crops and diet.—Completing agriculture's contribution to the Central American economy are a wide variety of food crops that are consumed locally. The ones that come first to mind, of course, are corn, rice, and beans, for these are the staff of life for our neighbors to the south. The average Central American eats over 2.5 pounds of corn, 0.7 pound of rice, and 0.5 pound of beans every day. Sugar in its several forms, assorted fresh fruits and vegetables, and a little meat from his own farm help to round out his diet. Those who can afford it add imported wheat products, lard, processed dairy foods, and preserved fruits, vegetables, and meats.

Influences on development

Alliance for Progress.—Central America, seeking a better standard of living for its people, is trying to promote some changes in its traditional pattern of agricultural production and to encourage industrial development through foreign and domestic investment. These efforts are helping it to stand taller among the nations of the hemisphere and of the world. The Alliance for Progress is expected to result in integrated long-range development plans for the area and to provide the external resources necessary to supplement local efforts.

Central American Free Trade Area.—A dream of long standing has been closer cooperation between the countries of Central America which would help to achieve these goals by eliminating trade barriers and by easing the solution of common problems. Beginning in 1824 the United Provinces of Central America enjoyed a brief existence under a Central American constitution. But dissension caused the union to fall apart, and by 1850 all countries had independent constitutions.

However, the dream of union—economic or political or both—remained, and in 1951 the Organization of Central American States was created. From this has evolved, through a series of agreements and protocols, the Central American Free Trade Area of today. The major instrument of regional integration is the General Treaty of December 1960 between Guatemala, Honduras, El Salvador, and Nicaragua. Early ratification by Costa Rica is expected.

Among specific accomplishments of the integration movement is the elimination of import and export duties on most of the products traded among the participating countries. A completely free trade area is planned for 1965.

as is also the establishment of a common tariff for imports from outside the region. A source of development credit, the Central American Bank for Economic Integration, operates from Tegucigalpa, Honduras; in the first 10 months of its operation, it authorized credits of nearly $3 million. A uniform customs nomenclature is in effect.

If Panama should join CAFTA, the benefits would be felt by all. Expansion of the regional market, increase of trade, better utilization of resources, increased emphasis on integrated industries—all aims under the Free Trade Area —could effect substantial economic growth regionally.

Coffee and cocoa conferences.—Of major consequence to the Central American nations will be final ratification of the International Coffee Agreement, which all of them have signed. This agreement, the first to be subscribed to by both producing and consuming countries, resulted from a United Nations coffee conference last summer. It is a long-term agreement designed to strike a balance between supply and demand for coffee and to assure that there will be an adequate supply for consumers and markets for the producers at equitable prices.

Central America produces high-quality coffee commanding premium prices on the world market. According to recent estimates, the six countries will have produced 5.5 million bags of coffee by the end of the 1962 coffee year, and will supply 9.5 percent of all exportable coffee.

An international cocoa agreement has reached the "proposed draft" stage. The draft, now being examined by the FAO Cocoa Study Group, will be further discussed at a meeting of the group in Trinidad this month.

U.S. sugar quota.—Another strong influence on Central American agricultural development is the U.S. Sugar Act, which became law in July 1962. Among the countries whose permanent quotas were extended by this Act are Nicaragua, Costa Rica, and Panama. Among the countries that received new quotas are El Salvador, Guatemala, and British Honduras. The only Central American country not affected was Honduras, which normally imports sugar, though production there is increasing and the country expects to be nearly self-sufficient in a few years.

Total sugar authorized under the quota for import into the United States from Central America amounts to 104,000 short tons, raw value. This compares with 82,100 tons actually imported from the area in 1961. If Central American sugar producers can meet the quotas assigned to their countries, the increased sugar exports will help cushion the effects of restricted coffee exports and possible reductions in banana exports.

Agricultural trends

The index of farm output for Central America increased to 149 in the crop year that ended in 1962 (1953-55 = 100). This increase continued the trend of recent years, which has been steadily upward except for a slight drop in 1960 (due largely to declines in cotton and banana production). Assuming normal weather conditions for the rest of the 1963 agricultural year, the outlook is favorable and production is expected to continue increasing.

Cotton has staged a strong comeback and record crops are expected for 1963 in El Salvador, Guatemala, Honduras, and Nicaragua. Cotton is a minor crop in Costa Rica, and output there probably will slip a bit further.

Coffee production for the area will probably show a slight increase for 1963. Gains in Costa Rica, Guatemala, Honduras, Nicaragua, and Panama will be offset by a smaller crop in El Salvador. Sugar production will be close to last year's output in Costa Rica, El Salvador, and Guatemala, with less expected in Nicaragua and British Honduras and slightly more in Honduras and Panama.

Although banana production in 1962 was considerably above the base period and also above 1960, it is doubtful whether production will increase greatly in the immediate future. The enactment of agrarian reform laws in Honduras and Guatemala has raised questions as to their effect on fruit company holdings in these two countries; but in Costa Rica and Nicaragua, banana plantings show some promise for increasing output.

Food production in 1962 made a significant gain in the race with population. In previous years the race was much closer. Notable gains were made in production of corn, pulses, meat, and milk, as well as bananas and sugar, and except for bananas, the outlook for all these commodities in 1963 is good.

The livestock industry is assuming increasing importance. Animal slaughter and the processing of beef for export is one of the most promising of the new agricultural industries. Meat packing and dairy processing plants are springing up in each country, and the countries are also promoting poultry and swine production.

Trade in farm products

Most of the farm products Central America exports are complementary to those produced in the United States, which is Central America's best market. We buy most of the coffee, bananas, and cocoa beans shipped from these countries; we also buy products such as sugar and frozen beef to supplement our own production.

Western Europe has loomed large in recent years as a market for Central America's coffee and cotton; Japan, as a market for its cotton.

Central America, in contrast with some other areas of the world, is a small but important market itself for agricultural products. Because it is predominantly agricultural, however, and normally produces such a large proportion of its own food supply, agricultural products represent a rather small part of its total imports.

Wheat and wheat flour are the biggest on a value basis, with the United States as one of the main suppliers. These two commodities alone make up from one-fourth to one-third of all U.S. agricultural exports to the area. Wheat is grown in significant quantities only in Guatemala; much smaller amounts are grown in the mountainous interior regions of Honduras and El Salvador. Other agricultural imports are largely processed foods, including cereal and dairy products and fruits and vegetables.

Rising living standards and an ever-increasing population should result in an expansion of the Central American market for agricultural products from the Temperate Zones —a market which may become increasingly important to the United States.

The Rice Trade of the EEC

This, the second of three articles, Rice in the Common Market, *analyzes the area's rice trade in relation to its requirements.*

By DEXTER V. RIVENBURGH
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Foreign Agricultural Service

Europe's rice trade began about the time the Suez Canal was constructed. This new route opened the way for the movement by water of Asia's unprocessed agricultural commodities to the processing facilities of Europe, and from there into world trade as a finished product. Thus, the rice from Burma, Indo-China, and other widely separated places began, through the existing colonial systems, to flow to England, France, Germany, the Netherlands, and Belgium. And because of the availability of this cheap unprocessed rice, extensive milling facilities were rapidly built up in non-rice-producing countries.

This milling industry flourished, furnishing Europe with rice for human consumption and with byproducts for animal feed and industrial use. Also, substantial shipments of milled rice were made to areas outside Europe. This was a profitable business because of the low cost of the unprocessed rice. From Germany alone between 1913 and 1931 around 400,000 to 500,000 metric tons were re-exported annually. France too, prior to 1939, imported rice from Indo-China and re-exported to other European countries as much as a million tons a year, most of which went into animal feeds.

World War II shut off Europe's rice supplies and destroyed many of its mills. After the war rice shortages existed all over the world. This situation caused prices to rise, precluding the use of byproducts for animal feed as well as narrowing the margin of profit on the re-export of rice from the countries that now make up the Common Market.

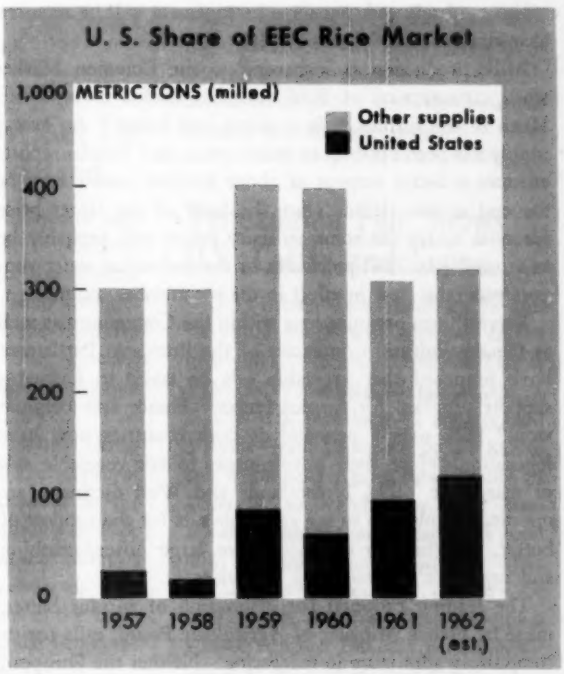
As it is unlikely that world rice prices, in the forseeable future, will fall to the prewar levels, this phase of the European rice trade is a thing of the past. However, because of the extensive milling facilities that were rebuilt after World War II in the non-rice-producing countries of the EEC, the Community still carries on a substantial trade in milled rice.

The total rice imports of the EEC now average annually about 340,000 metric tons in terms of milled rice. Of this, about 204,000 metric tons is rice in either brown or milled form, and the remainder, some 136,000 tons, is broken rice for industrial use. (The milling industries of the Community's two rice-growing countries, France and Italy, do not produce enough "brokens" from the milling of their short-grain rice to supply this need.)

The rice exports of the EEC have averaged approximately 239,000 metric tons for the past 5 years, of which only about 17,000 have been broken rice. These figures include the exports of Italy and France from their own production plus the re-exports of rice from the mills of the Community's other four countries.

A comparison of the EEC's milled rice imports (204,000 tons) and its exports (224,000) shows what would appear to be a balance between the two. However, an analysis of the destination of exports and of the source and type of rice being imported gives a far different picture. Rice production in Italy and France is limited to one type of rice—short grain. This means that exports from these countries to the deficit-rice countries within the Community are related directly to the consumption requirements for that particular type rather than to the total rice needs of the area.

Furthermore, for the 5-year period 1957-61, Italy's shipments to EEC countries have averaged only about 25,000 tons a year—less than 8 percent of the 340,000 tons that the area imports annually. France, with the exception of small amounts in 1958, has not exported rice to the other countries of the Community. In the same period, however, the United States exported rice to the Community in an average annual amount representing 17 percent of its imports. Last year the figure rose to 37 percent. The reason for these larger imports from the United States is, of course, the type of rice shipped. Neither France nor Italy produces the long-grain varieties that many consumers in the Com-



mon Market prefer to buy.

Italy's rice exports from 1957 through 1961 approximated 204,000 tons annually, going, as mentioned earlier, mostly to countries outside the Community. Currently, Italian exports are declining. France, on the other hand, which had been exporting about 15,000 tons a year during the 5-year period, is now selling well above 20,000 tons a year. This gain comes from the country's entering the world rice market with short-grain types in 1958. About two-thirds of France's exports now go in the form of milled rice to various African countries, and the remainder to Algeria as semi-milled rice.

France is also an importer of milled rice. In the years 1957-61 its average annual imports totaled 77,000 tons, of which 54,000 tons consisted of broken rice for industrial use. Of the remaining 23,000 tons, about 14,000 tons are long-grains from Madagascar, and 9,000 from Vietnam.

The four EEC countries that grow no rice have retained their prewar trade pattern in that they still import rice both in semi- and fully-milled forms from widely scattered world sources. Prices naturally enters in, but the range of sources indicates the need for types and qualities not grown within the Community itself.

Thus, it is apparent that should the EEC put into effect highly restrictive rice regulations to protect the Italian and French industries, these would have wide repercussions. Not only would processors within the Community be affected, but costs to consumers would be higher. The third country suppliers, including the United States, would also suffer materially. It is even possible that protectionism carried to an extreme would offset the principles of economic betterment set as a goal in the Treaty of Rome and would impose economic loss to a wide range of interests, in the Community and out.

Vegetable Oils Versus Butter in the EEC

The EEC's (European Economic Community) current efforts to alleviate its butter problem by penalizing vegetable oils make it doubtful that a common policy for fats and oils will be adopted before the Community butter proposals are approved. Although separate policies for vegetable oils and butter were proposed as far back as 1961 and 1962 respectively, neither is likely to be adopted until late this year or early in 1964.

Butter is the major fat produced in the Common Market countries. The EEC's original plan to handle butter and vegetable oils under separate marketing arrangements is being strongly defended by Sicco Mansholt of the Executive Commission. However, the Commission recognizes that the Common Market produces more butter than it can use without subsidy and that some arrangement will be required to insure a market for this surplus.

Milk production is increasing in the Common Market while consumption of fluid milk has tended to level off. Much of the surplus milk is going into butter. An excess supply has been built up in recent years, and various reports estimate a butter surplus of about 300,000 metric tons by the end of this decade since the level of the target price for milk under the common dairy policy will probably be as attractive to EEC producers as the individual dairy support programs now in effect in the six member countries.

Several farm organizations within the Community as well as the Agricultural Committee of the European Parliament have proposed that vegetable oils be taxed to finance a support program for surplus butter. France and Belgium would back such a proposal as both countries now have legislation before their governments to tax vegetable oils or margarine. The Netherlands and West Germany are opposed to any plan to tax vegetable oils for the support of butter, for the two countries have large oilseed-crushing and vegetable oil-processing industries.

The leading proposal for disposition of surplus butter, made by French Minister of Agriculture Pisani, calls for its compulsory admixture in margarine. Neither the European butter industry nor the margarine industry favors this plan.

These two proposals—the taxing of vegetable oils and the compulsory use of butter in margarine manufacture—would increase the consumption of butter by raising the cost of margarine and liquid table oils to the EEC consumer. Currently, the price ratio of butter to margarine in each of the six member countries is about 3 to 1. Were these proposals to go into effect the margarine price would increase so that the price ratio would be close to 2 to 1.

As proposed in the initial EEC plan for vegetable fats and oils, and likely to be adopted, Common Market producers of rapeseed and olive oils would receive deficiency payments financed from a variable excise tax on domestic and imported oils. If based on the current production of these oils, the tax would be small. Because of high labor costs Italian olive oil output is expected to decline, but rapeseed production could expand greatly, as it did in 1962 in response to expanded support programs. Increased production of rapeseed oil and meal, although both have certain use limitations, would compete directly with U.S. vegetable oils in food products and with U.S. soybeans as meal in mixed feeds.

In fiscal year 1962 the export value of U.S. exports of soybeans, soybean meal, and edible oils to the EEC amounted to $194 million, about a third of the total value of these commodities exported. Of the $194 million, soybeans accounted for $147 million, soybean meal $32 million, and vegetable oils $15 million.

The mixed feed industry is expanding rapidly in the six countries, as production of poultry and livestock products trends upward. On this basis the United States can expect larger soybean and soybean meal exports to the Market area for some time. But should the EEC's common policy for fats and oils tend to discriminate against vegetable oils in favor of butter, soybean meal imports into the Community may increase at a proportionately faster rate than imports of soybeans.

—Robert W. Allewelt

"California Raisin Bread" Promoted Widely in Japan and West Europe

The introduction of raisin bread into Europe and Japan—and its enthusiastic reception—is one of the factors contributing to the rising proportion of raisin imports for industry (i.e., bakeries and confectioners).

The California Raisin Advisory Board through its foreign "arm," the California Raisin Bureau, is actively promoting raisins and raisin bread (called California raisin bread) in seven countries. In one of the seven, the United Kingdom, the Bureau carries on a market development program on its own; in the other six—Japan, West Germany, Denmark, Sweden, France, and Switzerland—FAS is a partner.

Japan is the shining example of the impact of raisin bread on a country's total raisin consumption. An active wheat-raisin joint campaign introduced California raisin bread to Japan in 1960: now over 70 percent of Japan's raisin imports go into bread, and these imports have almost quadrupled since 1956. (Out of total 1961 imports of 12,902 short tons, 12,633 came from the United States, making Japan the largest foreign consumer of American raisins.)

Europe takes about 75 percent of all raisins and currants in export channels. The United Kingdom is by far the leading importer, followed by Western Germany.

Raisin bread was first introduced to the United Kingdom by the U.S. raisin industry at a large food fair. A Bristol baker was the first in Europe to produce raisin bread in commercial quantities. A month later, a Stockholm cooperative with 600 retail store members began selling the new California loaf, supported by a large consumer advertising and merchandising campaign. More than 16,000 loaves were sold a week, and raisin bread became the bakery's second best selling bread. Ten other bakeries with over 4,000 retail outlets are now selling and promoting the bread.

The market development program in Denmark has gotten behind the introduction of California raisin bread to the Danes with consumer and trade advertising and merchandising. The Copenhagen Bakers Guild, whose membership numbers 550 out of the city's 800 bakeries, thought so highly of the bread's potential, that they got special permission to sell the bread. This was necessary because raisin bread's price was higher than the previous ceiling allowed for bread.

A West German bakery has begun to sell the bread and a large French bakery is testing recipes preparatory to doing so. Market development programs are underway in both countries and the plan is to promote the bread vigorously during the raisin industry's 1963-64 crop season. The newest program is in Switzerland.

New Attache Post Set Up In Geneva, Switzerland

The USDA has established a new agricultural attaché post in Geneva, Switzerland, to handle the United States' expanding agricultural activities in Europe, and to meet the need for U.S. representation at the growing number of trade discussions and negotiations held in Geneva.

John I. Kross, most recently Director of the FAS Program Development Division, has been appointed to the new post. His responsibility will be to promote U.S. agricultural interests at meetings and conferences of such international organizations as the United Nations, GATT, and the Economic Commission for Europe (ECE).

Pakistani Student Wins Wheat Associates Prize

Miss Ayesha Yaqub Ali, one of two top winners in the sandwichmaking contest jointly sponsored by Wheat Associates, U.S.A. and the Pakistan Flour Mills' Association in Lahore, received a thousand rupee scholarship for home economics study at a West Pakistan college.

Mrs. David M. Bane (right), wife of the U.S. Consul General at Lahore, presented the award. S. H. T. Jafari, Wheat Associates official, is shown at center.

Purpose of the competition was to help efforts to raise nutrition standards by popularizing the use of wheat products in Pakistan. Another aim was to provide high school girls with the opportunity to study home economics at the college level. A number of other prizes were also awarded to other winning contestants.

Venezuelan Fair Shows U.S. Cattle and Swine

U.S. Brown Swiss dairy cattle and Berkshire swine will compete at the fifth annual National Livestock Fair at Valencia, Venezuela, March 21-25.

The U.S. livestock—2 heifers and 3 swine—will be shown by the Salesiana Vocational Agricultural School of Valencia, to which they have been donated. More than a gesture of good will, the animals will provide after the Fair a continuous "display" of quality U.S. stock at the well-known school, which is the only private institution of its type in the country.

Not Resting On Its Laurels—

U.S. Cotton Promotion in Canada Plugs Even Bigger Sales to This Top Market

A "Prestige Fashion Show" on March 20 will kick off the second year of U.S. cotton market development in Canada. Conducted by the Canadian Cotton Council, Cotton Council International, and FAS, it is the only FAS-sponsored project within the country. The show will be followed by a month-long promotion on "Simpson's Piece Goods," to be held April 17 through May 17.

These activities are part of the year-round cotton promotional program for 1963 aimed at making Canada an even better market for U.S. cotton. Although Canada gets most of its raw cotton from the United States—and is No. 1 market for U.S. textiles—U.S. marketing specialists believe the country's cotton utilization can be raised.

Canada uses more cotton per capita than most European countries, but partly because of its cold climate trails the United States in per capita utilization—nearly one-third less. Cotton market development in certain European countries, however has shown that cotton can be promoted for cold weather garments. Encouraged by sound market promotion, Canadian cotton consumption could in time approximate the U.S. per capita level.

Canadian per capita incomes—rising more rapidly than those of the United States—give reason for further optimism. The increased purchasing power being generated should result in better demand for consumer goods, including cotton products.

Last March, the Maid of Cotton launched the cotton promotion program in Canada with a publicity tour of fashion shows and retail outlets. A press sheet—"All About Cotton"—went to newspapers and television and radio stations. About 300 sales people participating in the Cotton Councils' fall training program saw the "Wonderful World of Cotton" show that stressed the versatility of cotton.

On February 11, the "Home Decorating Forum" was presented to a leading department store chain that intends to use this as part of in-store demonstrations this fall. This show emphasized the multiple end-uses and the care of household cottons in home decoration.

Canadian Co-op Vetoes Wheat Export Sales Plan

The United Grain Growers, Canada's second largest farmers' grain marketing cooperative, recently came out against suggestions made by the Minister of Agriculture to help raise exports of wheat.

In an opinion survey, almost 90 percent of the co-op's members opposed a levy on wheat sales to establish a reserve export credit fund which would provide insurance against nonpayment by an overseas customer.

Approximately 60 percent vetoed the Minister's idea that the four largest cooperatives establish a sales agency. The members felt the Wheat Board was doing an adequate sales job and that a co-op sales effort would offer no special advantage. About 20 percent favored such an agency.

The poll is believed to reflect the thinking of the other three wheat co-ops, although a change in marketing conditions could cause a switch.

Italy Gets Study Grant

USDA has awarded the *Italian Instituto Superiore di Sanita* in Rome a 4-year P.L. 480 grant of $98,319 (in lira equivalent) for research on insecticides used on wheat during storage. *Instituto* findings will be utilized by U.S. scientists studying control of insects in stored grain through use of insecticides.

Farm Exporters Compete For the Japanese Market

A major U.S. promotion effort in Japan has helped make that country the No. 1 dollar market for American farm exports. But other agricultural exporting countries are bidding for shares in this big cash market with active promotion programs, according to a report from the agricultural attaché's office in Tokyo.

Canada's market promotion in Japan is being accelerated, although some of the more costly programs have been eliminated to conserve Canada's foreign exchange. Canada's primary technique is to encourage Canadian traders to visit Japan and make direct sales after contacts have been arranged by the Canadian Government.

The government sponsors trade teams to and from Japan, participates in trade fairs—mainly for wheat and dairy products—and presents golf trophies to Japanese trade associations. Since Canada would also like to gain a share of Japan's tobacco market, that commodity will be given high priority this year.

Australia's promotional efforts in Japan are being intensified because of EEC developments and the potential loss of some Australian exports to this area. Commodity groups, both government and private, handle most of the country's market promotion programs—namely, the Australian Wheat Board, the Dried Fruit Control Board, and the Dairy Board. These groups sponsor television programs on Australian agriculture, essay competitions, and awards to prominent Japanese importers. Mixed feeds are promoted at the Tokyo and Osaka trade fairs.

Since New Zealand depends on farm exports for most of its foreign exchange earnings, that country is stepping up promotion in Japan, particularly in view of the possible loss of EEC markets. In Japan—as in most countries—New Zealand emphasizes wool promotion, but meat and dairy products are also being stressed. So far, New Zealand has not promoted the sale of hides and skins in Japan, but these two products will be given increased emphasis this year to encourage higher exports.

U.S. Sugar Allocated to Foreign Countries

The U.S. Department of Agriculture has announced the allocation of 200,000 short tons, raw value, of the global sugar quota. An additional quota of 204,341 which has not been charged, brings the total global quota to 1,504,341. Authorization for purchase and importation of this sugar was made by the USDA on February 26.

At that time, USDA also announced approval of applications from importers competing for sugar quota deficit allotments. These deficits, which arise from the inability of a global market country to fill its prescribed quota, are distributed to Western Hemispheric countries to fulfill in addition to their regular quotas. The Republic of the Philippines has been granted 107,914 tons of the total 123,259 tons of global deficit sugar.

One-third of the regular importations under the basic country quotas are committed so far. This portion of the total 2.4 million short tons of regular quotas is scheduled for arrival through August. Commitments under the global quota totaling 1.3 million tons are scheduled for delivery through October.

U. S. 1963 SUGAR QUOTAS FOR FOREIGN COUNTRIES, AS OF FEBRUARY 28, 1963

Country	Basic country quota	Quota deficit reallocation	Global quota	Total
	Short tons[1]	*Short tons*	*Short tons*	*Short tons*
Philippines	1,050,000	107,914	0	1,157,914
Dominican Rep.	322,152		176,295	498,447
Peru	192,152		184,519	376,671
Mexico	192,152	52,600	0	244,752
Brazil	182,416		282,856	465,272
Br. W. Indies	91,351	13,000	0	104,351
Australia	40,378		135,887	176,265
Rep. of China	35,510		31,500	67,010
Fr. W. Indies	30,355		65,849	96,204
Colombia	30,355		46,144	76,499
Nicaragua	25,200		15,300	40,500
Costa Rica	25,200		10,000	35,300
Ecuador	25,200		27,572	53,772
India	20,332		90,000	110,332
Haiti	20,332	6.056	5,816	32,204
Guatemala	20,332		12,780	33,112
South Africa	20,332		71,377	91,709
Argentina	20,000		42,437	62,437
Panama	15,177		0	15,177
El Salvador	10,309	1,989	6,500	18,798
Paraguay	10,023		0	10,023
Br. Honduras	10,023		0	10,023
Fiji Islands	10,023		12,230	22,253
Ireland	10,000		0	10,000
Belgium	182		7,622	7,804
France			24,438	24,438
Reunion			10,500	10,500
S. Rhodesia			10,878	10,878
Mauritius			28,400	28,400
Total	2,409,486	181,559	1,300,000	3,891,045

[1] Raw value.

Poland Plans Increase in Sugar Production

Poland's beet sugar production for 1963 can be estimated by the amount—1,100,000 acres—it has contracted for growing sugar beets. At average yields, this acreage would result in a total production of 1,677,000 short tons raw value as compared with 1,433,000 tons in 1962 and 1,152,000 in the 5-year average 1955-59.

The upward trend in production is accompanied by an increase in processing capacity. According to an article in the December issue of *Nowe Rolnictwo,* a new sugar factory is scheduled to be opened in Lublin Voivodship this year and another one in Bialystok Viovodship in 1965.

Mozambique Kenaf, Jute Production Increases

Mozambique is increasing its production of bagging fibers as a means of reducing the large imports of raw jute and manufactured jute bags. The 1962 crops are estimated at about 1.1 million pounds of kenaf and 660,000 pounds of jute. Most of the kenaf and jute is grown along the Pungue River.

Kenaf production is increasing much more rapidly than jute. The 1962 crop was 67 percent larger than the 660,000 pounds in 1961 and 400 percent larger than the crop of 1960. The largest producing company anticipates around 2.5 million pounds in 1963 and a greater 1964 increase.

The 1962 jute crop was harvested from about 630 acres. The increase in production in the past 2 years has been at the rate of approximately 100,000 pounds a year. Total consumption of bagging fibers is 13 to 15 million pounds.

Indonesian Kapok Production Lower

Kapok production in Indonesia is estimated at 59.5 million pounds in 1962, a drop of 16 percent from the 70.5 million pounds in 1961, primarily because of drought late in the growing season. The forecast for 1963 is for 66 million pounds if favorable conditions continue.

Indonesian consumption of kapok fell from 63.5 million pounds in 1961 to about 55.6 million in 1962, and exports fell from 7.1 million pounds to an estimated 4 million.

INDONESIAN KAPOK EXPORTS, 1961 AND JANUARY-AUGUST 1962

Countries of destination	Quantity		Value	
	1961	1962 Jan.-Aug.	1961	1962 Jan.-Aug.
	1,000 lbs.	*1,000 lbs.*	*$1,000*	*$1,000*
United States	3,640	1,684	464.9	216.4
Canada	22	0	2.7	0
Belgium	1,241	190	161.7	24.7
Italy	589	278	81.1	39.5
West Germany	492	55	62.6	7.0
France	207	82	26.6	10.5
Portugal	99	11	16.6	1.6
United Kingdom	68	79	8.8	10.5
Other Europe	70	132	9.4	17.4
New Zealand	522	137	105.2	25.8
Australia	132	141	26.3	25.6
Japan	4	26	.6	2.7
Total	7,086	2,815	966.5	381.7

Compiled from data of Central Bureau of Statistics, Indonesia.

Colombian Coffee Regulations Changed

Colombia has reduced the coffee sacrifice quota (retention tax which exporters must surrender) from 13½ kilos of pergamino (23.8 lbs. green basis) to 4½ kilos (7.9 lbs. green basis) per bag exported. Coffee is exported in 69-kilo (152 lb.) bags.

This reduction nearly offsets the recent increase in the Colombian Coffee Federation's buying price from 500 pesos per cargo of pergamino (26.7¢ per lb. green basis) to 565 pesos (30.2¢ per lb. green basis). Colombia's "retention in kind" will now amount to 16 percent. Five percent will be surrendered as a retention tax, a further 5 percent

bought by the coffee fund, and a 6 percent pasilla (low grade coffee) tax levied.

Burma's Rice Surplus for Export Increases

Rice available for export in 1963 from Burma's 1962-63 bumper crop is estimated at 1.8 million metric tons of milled rice. This is near the postwar record of 1,864,000 in 1956, and 43,000 above exports of 1962.

The 1962-63 rice crop harvested mainly in December and January, is estimated at about 6 percent over the preceding year. Therefore, production would be in the neighborhood of 8 million tons (5.9 million of milled and milled products) compared with 7.6 million (5.6 million) in 1961-62.

Listings as of early February showed government-to-government sales of 1,272,000 tons of milled rice, from $94 to $190 per metric tons, depending on grade, as follows:

GOVERNMENT-TO-GOVERNMENT SALES OF BURMA'S 1962-63 RICE CROP, EARLY FEBURARY 1963

Country	Type of Rice	Volume	Price
		1,000 metric tons	*Dollars per ton*
Ceylon	Ngasein SMS, 42% broken	45.7	93.70
	Ngasein full-boiled	182.9	95.36
	Total	228.6	—
Communist China	Ngasein SMS, 42% broken	10.2	93.70
	Ngasein full-boiled	30.4	95.36
	Ngasein/Burma 15%	50.8	119.89
	Emata Burma 15%	10.2	119.89
	Total	101.6	—
Czechoslovakia	Ngasein/Burma, 15%	20.3	119.89
	Emata/Burma, 15%	10.2	119.89
	Total	30.5	—
India	Ngasein full-boiled	152.4	95.36
Indonesia	Ngasein SMS, 42% broken	259.1	93.70
	Meedone B.Q.	20.3	96.46
	Total	279.4	—
Japan	Meedone/Burma, 15%	15.2	119.89
	Ngasein/Burma, 15%	10.2	119.89
	Total	25.4	—
Malaya and Singapore	Ngasein/Burma, 15%	30.5	119.89
	Emata/Burma, 15%	35.6	119.89
	Total	66.1	—
Maldive	Ngasein full-boiled	8.1	95.36
Mauritius	Milchar 1	28.4	101.70
	Milchar 2	7.1	99.77
	Long-boiled	15.2	104.72
	Total	50.7	—
Pakistan	Ngasein SMS, 42% broken	68.6	93.70
	Ngasein full-boiled	160.0	95.36
	Total	228.6	—
Poland	Ngasein/Burma, 15%	10.2	118.51
Seychelles	Ngasein SMS, 42% broken	4.1	93.70
Sierra Leone	Ngasein full-boiled	20.3	95.36
USSR	Ngasein/Burma, 15%	50.8	119.89
	Emata/Burma, 15%	15.2	119.89
	Total	66.0	—
	Grand total	1,272.0	—

Nearly half of Burma's 1962 exports were to customers that historically take large amounts—Indonesia, Ceylon, and Malaya. Ten percent was shipped to countries of Africa, and combined exports to Cuba, East Europe, and USSR equaled 9 percent of the total. Only 2 percent each was exported to the EEC and the Near East.

Norway Grants Rice Import Licenses

Norway's Minister of Commerce has announced that import licenses for up to 130,000 Kroners' ($18,194) worth of rice will be issued through June 30, 1963.

Annual imports have averaged 5,300 metric tons of milled and broken rice a year. Approximately half comes from Italy. In 1961, about 11 percent was imported from the United States in the form of milled rice. Other sources were Surinam, Spain, and the Netherlands.

Europe's Wheat Prospects Uncertain

An unusually severe winter in Europe makes the outlook for the 1963 wheat crop uncertain. Low temperatures and inadequate snow cover in some areas are causing apprehension.

The extent of the damage cannot be fully evaluated until spring growth begins. Present information indicates that the greatest damage occurred in France.

For further detail see *World Agricultural Production and Trade Statistical Report,* February 1963, page 37.

Brazil Expects Larger Tobacco Harvest

The 1963 tobacco harvest in Brazil is tentatively forecast at 314.7 million pounds, compared with the revised 1962 harvest of 299.7 million. It will be about 7 percent under the 1961 high of 337.7 million.

The 1963 flue-cured harvest is estimated at 107.7 million pounds, compared with 93.3 million last season, but 16.4 percent under the 1961 high of 128.9 million. Excessive rain during the transplanting season adversely affected the 1962 harvest and slightly reduced planted acreage this season. Growers' prices were increased about 65 percent over last season. The advance in grower prices was due to the short 1962 harvest which caused manufacturers to deplete their stocks considerably.

The burley harvest is forecast at 3.4 million pounds, compared with 1.7 million last season and 1.3 million for 1961. The harvest of cigar leaf, including Bahia, is expected to be about 11 percent greater than the 51.8 million pounds last year. Production of twist tobacco is expected to approximate the 99.2 million in 1962. The harvest of native air-cured types is expected to be about 17 percent smaller than the 1962 harvest of 51.6 million pounds, since drought during December adversely affected yields.

U.S. Cigarette Leaf Imports Set Record

U.S. imports of cigarette leaf, at 127.7 million pounds, set a new record for 1962. Turkey and Greece continued as the chief suppliers of cigarette leaf, furnishing a combined total of 115 million pounds.

Other sources of cigarette leaf in 1962 included Yugoslavia, Lebanon, Italy, the Rhodesias-Nyasaland, Syria, and Cyprus. Imports for consumption of flue-cured and burley tobaccos totaled 214,000 pounds and 128,000 pounds, respectively, in 1962. Canada and Rhodesia supplied most of the flue-cured, and Mexico most of the burley.

Imports of tobacco for consumption totaled 164.3 million pounds in 1962—1 percent below the 1961 record of 166.4 million, but above those of any other year. Imports of cigar filler and scrap tobaccos at 35.6 million pounds in 1962 dropped 10 percent below those of 1961. A sharp curtailment in imports from Cuba reflected the embargo on arrivals from that country imposed in early February 1962. Subsequent to the embargo, cigar manufacturers reduced their withdrawals from bond of Cuban leaf, and this resulted in the smaller import for consumption figure.

Larger imports of cigar tobaccos from Colombia and the Dominican Republic did not offset the drop from Cuba. Imports from the Philippines, at 10.2 million pounds were about 4 percent under those for 1961.

India's, Mozambique's Cigarette Output Down

Cigarette output in both India and Mozambique during the first half of 1962 turned downward after steady upward production trends since 1953 for India, and 1952 for Mozambique.

Production in India amounted to 20.7 billion pieces, 1 percent below the 20.9 billion for January-June 1961. Mozambique's output came to 1.2 million pounds, almost 15 percent lower than the 1.4 million for January-June 1961.

Ceylon's Exports of Copra, Coconut Oil Up

Ceylon's exports of copra during January-September 1962 were nearly one-fourth greater than in the corresponding period of 1961. Increased shipments to India, Pakistan, and Poland more than offset the decline in exports to Mainland China and Burma. Copra exports in calendar 1961 amounted to 54,987 long tons.

Coconut oil shipments from Ceylon were 16 percent higher in the first 9 months of 1962 than in the corresponding months of 1961. Greater quantities went to the USSR, Mainland China, and Western Germany. But exports to the United Kingdom and Canada were substantially smaller. Total exports of coconut oil in 1961 were 91,833 long tons.

Desiccated coconut exports rose only 4 percent in the same period and there were no major changes in the export pattern of this product.

CEYLON'S EXPORTS OF COPRA AND COCONUT OIL BY COUNTRY OF DESTINATION

Continent and country of destination	Copra		Coconut oil	
	January-September		January-September	
	1961 [1]	1962 [1]	1961 [1]	1962 [1]
	Long tons	*Long tons*	*Long tons*	*Long tons*
North America:				
Canada	—	—	18,436	13,512
United States	—	—	—	—
Other	—	—	528	1,317
Total	—	—	18,964	14,829
South America	—	—	1,451	1,506
Europe:				
France	—	—	973	694
Germany, West	—	—	461	4,388
Italy	—	—	8,260	7,478
Netherlands	—	—	3,895	3,082
Poland	—	1,850	2,637	2,874
Switzerland	—	—	100	—
United Kingdom	—	—	6,634	2,546
USSR	—	—	—	6,454
Other	—	—	560	3,978
Total	—	1,850	23,520	31,494
Africa:				
Egypt	—	—	—	98
Morocco	—	—	1,005	1,779
South Africa, Rep. of	—	—	103	475
Other	—	—	85	97
Total	—	—	1,193	2,449
Asia:				
Burma	4,590	3,619	3,507	3,356
China, Mainland	10,100	3,000	8,272	11,988
India	25,287	40,382	—	3,188
Iran	10	—	719	5
Iraq	79	75	56	71
Pakistan	2,227	2,897	8,562	8,072
Syria	—	—	—	—
Other	5	30	165	151
Total	42,298	50,003	21,281	26,831
Oceania	—	—	120	85
Grand total	42,298	51,853	66,529	77,194

[1] Preliminary. Compiled from official sources.

CEYLON'S EXPORTS OF DESICCATED COCONUT BY COUNTRY OF DESTINATION

Country of destination	January-September		
	1961 [1]	1962 [1]	1961 [1]
	Tons	*Tons*	*Tons*
North America:			
Canada	2,303	2,087	2,909
Other	194	19	219
Total	2,497	2,106	3,128
South America	664	313	1,038
Western Europe:			
Belgium	815	678	1,398
Denmark	704	1,129	1,256
France	639	730	1,060
Germany, West	7,253	7,583	10,750
Italy	834	774	1,048
Netherlands	1,973	2,114	3,272
Sweden	756	801	1,384
U.K.	13,445	15,151	18,575
Other	1,098	1,448	1,626
Total	27,517	30,408	40,369
Eastern Europe	126	255	165
Africa:			
Republic of South Africa	930	884	1,443
Other	709	669	1,049
Total	1,639	1,553	2,492
Asia	1,145	1,040	1,827
Oceania:			
Australia	3,107	2,669	3,962
Other	735	496	1,167
Total	3,842	3,165	5,129
Grand total	37,430	38,840	54,148

[1] Preliminary. Compiled from official sources.

U.S. Sesameseed Imports Smaller

The United States imported 10,069 short tons of sesameseed in 1962, 12 percent less than the previous year's 11,448 tons.

Central America, the principal source of supply, accounted for 83 percent of total U.S. imports. This is a drop from the 89 percent in 1961.

Imports from South America rose, reflecting a substantial volume of sesameseed imported from Brazil.

U.S. imports of edible sesame oil, in contrast, increased in 1962 to 641 tons from 369 tons imported in 1961.

U.S. IMPORTS OF SESAMESEED, 1960-62

Country of origin	Average 1955-59	1960	1961 [1]	1962 [1]
	Tons	*Tons*	*Tons*	*Tons*
No. America:				
El Salvador	2,120	976	1,364	1,256
Guatemala	94	580	1,398	1,287
Nicaragua	3,731	6,630	7,329	5,485
Other	59	5	53	353
Total	6,004	8,191	10,144	8,381
So. America:				
Brazil	158	57	164	1,286
Other	17	—	—	11
Total	175	57	164	1,297
Europe	7	27	1	—
Africa:				
Egypt	166	81	60	19
Other	179	142	[2] 1,055	323
Total	345	223	1,115	342
Asia:				
India	102	139	—	—
Turkey	—	—	13	—
Other	176	52	11	49
Total	278	191	24	49
Grand total	6,809	8,689	11,448	10,069

[1] Preliminary. [2] All from Sudan. Dept. of Commerce.

U.S. Imports of Palm and Kernel Oils

U.S. imports of palm oil in 1962 declined to 17,764 short tons—a third less than the 28,004 imported in 1961.

Imports from the Republic of Congo, traditionally the major U.S. supplier, declined nearly 40 percent, while imports from Indonesia, the leading supplier in 1961, declined over 45 percent.

U.S. palm kernel oil imports in 1962 at 42,098 tons were essentially equal to the volume of 1961. Declines in 1962 palm kernel oil shipments from the Republic of Congo were offset by increased shipments from Europe, particularly the United Kingdom and the Netherlands.

U.S. PALM OIL AND PALM KERNEL OIL IMPORTS BY COUNTRY OF ORIGIN, 1960-62

Country of origin	Average 1955-59	1960	1961 [1]	1962 [1]
PALM OIL	*Tons*	*Tons*	*Tons*	*Tons*
Canada	1	—	1	—
Mexico	18	—	—	—
Belgium-Luxembourg	119	287	18	144
Netherlands	1	—	—	63
United Kingdom	159	—	—	—
Congo, Rep. of	14,822	20,117	11,755	7,167
Nigeria	111	337	—	2,115
Indonesia	1,144	2,114	15,009	8,056
Malaya	172	—	—	—
Others	—	554	1,221	219
Total	16,547	23,409	28,004	17,764
PALM KERNEL OIL [2]				
Belgium-Luxembourg	69	—	220	—
Denmark	4	—	8	41
Germany, West	—	—	6,338	4,085
Netherlands	3,091	8,231	6,201	8,022
United Kingdom	1,980	6,109	561	5,882
Congo, Rep. of	20,669	29,818	28,156	21,190
Others	43	—	560	[3] 2,878
Total	25,856	44,158	42,044	42,098

[1] Preliminary. [2] Crude and refined. [3] From Japan.

Compiled from official Department of Commerce records.

India's Flaxseed Acreage Slightly Lower

The first official estimate of India's 1962-63 flaxseed sowings is 3,011,000 acres. The first estimate for 1961-62 was 3,017,000 acres and final estimate, 4,211,000 acres.

The first estimate does not cover the entire area sown to the crop during 1962-63. Normally, the area reported in the first estimate represents 75 percent of the final area.

U.S. Exports of Peanuts and Oil Drop Sharply

The United States exported 8,921 tons of peanuts in 1962, of which 8,601 were shelled basis and the remainder unshelled. This decline of nearly 60 percent from 1961 exports reflects a drop of more than one-half in the tonnage sent to Canada, the major market.

Small quantities of peanuts are imported each year, mainly from the Philippines and Mexico. Imports in 1962 at 646 tons were down one-sixth from a year earlier.

The United States exported only 82 tons of peanut oil in 1962 compared with 3,549 tons in 1961. Again, Canada was the major market. Imports of oil, on the other hand, rose to 2,138 tons, over three times the 1961 tonnage. So. Africa, Nigeria, Argentina were the major suppliers.

U.S. exports of peanuts and peanut oil represent only a small part of U.S. production. Peanuts are grown chiefly for domestic consumption in the form of nuts as such, peanut butter, and confections. Moreover, U.S. exports of peanuts comprise but a very small percentage of total world exports for use in making peanut oil and meal.

U.S. EXPORTS AND IMPORTS OF PEANUTS, 1960-62

Item and country	Average 1955-59	1960	1961 [1]	1962 [1]
SHELLED				
Exports:	*Tons*	*Tons*	*Tons*	*Tons*
Canada	7,644	9,670	14,054	7,439
Cuba	42	510	—	—
Mexico	9	25	22	20
Panama	280	58	140	184
The West Indies (Fed.)	5	3	4	4
Venezuela	536	490	371	365
Bel.-Lux.	288	39	500	63
France	926	13,216	1,080	9
Netherlands	1,312	1,692	3,028	25
Switzerland	2,968	14	1,045	40
Others	1,988	650	903	452
Total	15,998	26,367	21,147	8,601
Imports:				
Mexico	3,624	—	—	35
India	3,463	9	18	—
Philippines	929	—	278	370
Others	4,860	11	336	64
Total	[2] 12,876	[2] 20	[4] 632	[5] 469
UNSHELLED				
Exports:				
Canada	791	342	31	180
Cuba	6	1,753	—	—
Mexico	1,217	3	13	16
Panama	4	—	—	1
The West Indies (Fed.)	1	—	2	—
Venezuela	8	1	—	—
Bel-Lux.	1	—	—	—
Switzerland	—	—	—	1
Others	127	58	134	122
Total	2,155	2,157	180	320
Imports:				
Mexico	125	306	139	170
Philippines	2	1	—	—
Others	1	1	4	7
Total	128	308	143	177

[1] Preliminary. [2] Includes 11 tons of blanched or roasted peanuts. [3] Includes 3 tons of blanched or roasted peanuts. [4] Includes 62 tons of blanched or roasted peanuts. [5] Includes 63 tons of blanched or roasted peanuts.

Compiled from official Department of Commerce records.

U.S. EXPORTS AND IMPORTS OF PEANUT OIL [1], 1960-62

Item	Average 1955-59	1960	1961 [2]	1962 [2]
Exports to:	*Tons*	*Tons*	*Tons*	*Tons*
Canada	577	327	8	58
Cuba	901	3,513	—	—
Venezuela	215	2	1	—
Bel-Lux.	528	—	—	—
France	488	—	—	—
Germany, West	155	—	663	—
Netherlands	1,079	—	336	—
United Kingdom	65	276	2,505	8
Morocco	110	—	—	—
Others	545	9	36	16
Total	4,663	4,127	3,549	82
Imports from:				
Argentina	321	—	666	338
Canada	30	—	—	85
Cuba	1	—	—	—
Bel-Lux.	88	—	—	—
France	—	—	1	1
Netherlands	1,474	—	—	275
United Kingdom	521	—	—	—
Others	1,800	—	—	[3] 1,439
Total	4,235	—	667	2,138

[1] Crude and refined oil combined as such. [2] Preliminary. [3] Includes 1,004 tons from Republic of South Africa and 435 tons from Nigeria.

Compiled from official Department of Commerce records.

Syria's Olive Oil Production Declines

According to trade sources, Syria's production of edible and inedible olive oil in 1962 is estimated at 13,800 and 1,800 short tons, respectively. Production of both types dropped by more than one-fourth from 1961. Prospects for increased production in 1963 are indicated by ample rainfall in olive growing areas.

Syria imports virtually no olive oil since domestic consumption seems to be geared to indigenous supply.

Exports of edible Syrian olive oil are small but could be enlarged. Lack of uniform quality in a marketable package has deterred increased exports of Syrian oil.

Syria is not likely to become a market for U.S. oils in the near future since consumer tastes are geared to the use of samneh (ghee) and olive oil.

Dutch Announce Dairy Price Support Change

The Netherlands Government has announced a new policy for supporting milk prices to farmers. Under the new policy, a target price for the entire commercial production has been fixed. In the past, about three-fourths of total production was guaranteed at a fixed price.

The target price, to be effective from November 4, 1962, to November 2, 1963, is $3.40 per 100 lbs. of milk, basis 3.7 percent fat content, on all milk delivered to plants and used in making farm cheese. The guaranteed price in 1961-62 was $3.54 per 100, for a production of 11.2 million pounds. The average price received by farmers in 1961-62 was $3.28 per 100.

According to the announcement, the new price policy will return to farmers an additional $18.1 million during the year. Approximately $10.3 million of the additional returns will come from the Agricultural Equalization Fund, $1.4 million from higher proceeds on industrialized milk and approximately $6.4 million from higher consumer prices for fluid milk. Consumer milk prices were increased 0.28 cents per liter effective November 12, 1962. An additional increase of 0.14 cents per liter will be made during the latter half of the period.

The guaranteed price assured producers of receiving the exact amount stated, either through means of a purchasing policy by an agency of the government or by a deficiency payment. The new target price system does not guarantee the producer receipt of a definite price, and if the target is not realized, no deficiency payments are made. This element of uncertainty in the new program is a cause for concern to Dutch dairy farmers.

U.S. Cotton Linters Imports Down

U.S. imports of cotton linters, mostly felting qualities, totaled 55,000 bales (500 pounds gross) during the first half of the current season (August-January). This was 48 percent below imports of 105,000 bales in the corresponding period a year earlier. Linters imports during January totaled 9,000 bales, compared with 13,000 in December and 26,000 in January 1962.

Principal sources of linters imports during August 1962 through January 1963, with comparable 1961-62 figures in parentheses, were: Mexico 33,000 bales (66,000); Brazil 7,000 (9,000); USSR 6,000 (13,000); Guatemala 5,000 (3,000); and El Salvador 3,000 (2,000).

Australia Builds Two New Meat Plants

An Australian company reports the construction of an annex to its slaughterhouse in Darwin, Northern Territory, which will enable it to pack meat for export for the first time. The annex will be completed in May. Another company has announced plans to open an export slaughterhouse at Katherine, south of Darwin, with operations beginning this month.

These new slaughter plants should give considerable impetus to cattle production in the remote areas by providing a dependable nearby market. Heretofore, most cattle from this area had to move long distances east or south to eventual slaughter markets, or had to be exported live.

Honduras To Import U.S. Cattle and Hogs

In February 1963 the Inter-American Development Bank (IDB) authorized a $420,000 letter of credit to Honduras' Banco de Fomento for purchasing breeding cattle. As soon as administrative details can be worked out, Honduras is expected to begin buying both beef and dairy cattle from the United States.

This purchase program will be handled by the Cooperative Technical Service for Agriculture (STICA), and a contract between this agency and Banco de Fomento has been signed. STICA will select, buy, and transport the animals. A new quarantine station has been built at a farm in Comayaqua, and pastures, feed, and other facilities are ready for the first shipment. STICA is conducting short courses in animal husbandry at the farm and will provide continued technical assistance to livestock cooperators.

In November 1961 STICA purchased 98 head of U.S. cattle (64 beef and 34 dairy) to be used in its livestock improvement program. In the fall of 1962 it bought here an additional 156 head of breeding cattle and 52 Duroc hogs. Current plans are to buy 30 more Duroc gilts in the near future. Under its hog program, STICA expects to produce and sell 1,500 to 2,000 animals to local producers each year. Both hogs and beef cattle are being sold to producers at cost.

Australian Meat Moves to the U.S.

One ship left Australia the second week in February with 443,520 pounds of beef and 168,000 pounds of mutton for the United States.

Ship and sailing date	Destination [1]	Arrival date	Cargo	Quantity
Eastern ports:				*Pounds*
Pioneer Isle.....	Charleston	Mar. 17	Beef	80,640
Feb. 13			Mutton	100,800
	Boston	Mar. 21	Beef	67,200
			Mutton	33,600
	New York	Mar. 23	Beef	170,240
	Philadelphia	Mar. 25	Beef	33,600
	Baltimore	Mar. 27	Beef	91,840
			Mutton	33,600

[1] Cities listed indicate location of purchaser and usually the port of arrival and distribution area, but meat may be diverted to other areas for sale.

Canada Increases Premium on Hog Carcasses

The Agricultural Minister of Canada announced that the quality premium on Grade A hog carcasses would be increased from $2.00 to $3.00 effective April 1, 1963.

The premium had been lowered to $2.00 on September 4, 1962, as part of the Canadian Government's austerity program. An estimated saving of $1,345,600 is expected by March 31, 1963, the end of the fiscal year. Before the reduction was made, premiums paid in the fiscal year totaled $4,635,558. The premium payment is made to encourage producers to raise better quality hogs.

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